

THE CITY OF WICHITA



OFFICE OF THE CITY MANAGER
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December 29, 1978

The Honorable Mayor and
Board of City Commissioners
City of Wichita
Wichita, Kansas

Dear Commissioners:

Presented herewith as specified by State law is the 1979 annual operating budget as approved by the Board of City Commissioners for the City of Wichita.

The adopted 1979 program of municipal services as approved by the Board offers both challenges and opportunities for the citizens of Wichita. We will be challenged to meet the basic needs of people and support a vibrant Wichita economy while, at the same time, controlling the cost of local government and achieving higher productivity levels to control the City's needs for personnel.

During the adoption of this budget, more changes and options were considered than in previous years. The local sales tax referendums; personal and real property assessment reductions; and employee union activity all were significant factors in final adoption of this plan of service.

I am pleased to inform the Board and the citizens of this City that by maximizing the utilization of revenue sharing funds to offset taxes and applying the concepts of zero-base budgeting, this adopted program of service can be financed approximately 1.6 million dollars below the maximum taxing authority granted to the City by the State of Kansas. Had it not been for the changes in assessment of property policies, this budget could have been adopted with a mill levy less than the mill levy required to fund the 1968 operating budget.

For the second year, this budget has been developed utilizing the concepts of zero-base budgeting. The concept rests upon the simple notion that government expenditures in previous years should not be employed as the sole basis for approving large portions of future years' budgets. Rather, budgets should be justified from the bottom up on the basis of program objectives and public need.

Traditional budget procedures have tended to focus the attention of managers and policymakers on proposed increases in the budget. Zero-base procedures force budget makers to develop budget requests at various levels of funding, some below current expenditure levels and some above. Administrators then rank budget requests for these alternative levels of service according to their priorities for funding on a City-wide basis. In this way, the attention of administrators and policymakers is drawn to a consideration of elements of the base budget along with proposed increases in the delivery of services.

As a brief summary review for City Commission and citizen information purposes, the following chronology of events occurred during the development of the 1979 budget:

- City Manager's recommended budget would have required property taxes totaling \$32,760,000 and a mill levy of 38.886 mills without the sales tax as a significant alternate source of revenue.
- City Commission informal recommendations at the conclusion of the informal budget review requested total taxes in the amount of \$31,150,000 which would have required a mill levy of 36.9 mills. In effect, this recommendation reduced taxes by \$1,610,000 and also provided funds for an additional 3% Police and Fire salary improvement. This required total "cuts" in the budget as recommended by the City Manager totaling \$1,901,093. The budget reductions resulted in a decrease of authorized personnel from the City Manager's recommended budget of 73.5 positions.
- The budget as presented to the Board of City Commissioners for the first reading required taxes in the amount of \$31,146,643 and a mill levy totaling 36.888 mills.
- City Commission formal action on the first reading required that an additional \$551,526 be cut from the expenditure budget to provide an additional 3% for Service Employee Union and Employee Council members.

Commissioners will recall that the final mill levy was contingent upon final assessed valuation figures to be determined by the County Clerk's Office after the formal adoption of the City of Wichita's budget. Since the City of Wichita's budget was adopted, final assessed valuation received from the County required that the mill levy to finance the adopted program of service be set at 38.061 mills.

Taxes required to finance the 1979 adopted program of service amounting to \$31,146,643 represents an increase of only 1.1% over taxes required for the 1978 adopted budget.

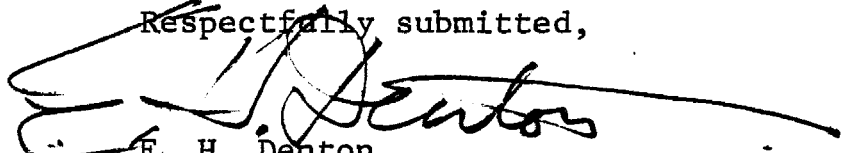
The final adopted 1979 budget required reductions of \$2,452,619 from the budget as originally recommended in the City Manager's 1979 budget message. Significant budget reductions were made to the 1979 budget from programs that had been previously authorized. A summary listing of 1979 program reductions are provided at pages 3 and 4 of this document.

Limited program improvements as a result of the initiation of new or improved services, salary and employee benefit improvements, and equipment acquisition have been provided for in this adopted program of service as a result of receiving a higher priority ranking than programs previously performed and are itemized on pages 1 and 2 of this document.

As a result of the unsuccessful sales tax referendum, the City must continue to rely on general property taxes for support. I am, of course, concerned that property tax lid restrictions will prevent, in the future, needed improvements in the level of services provided by the City. As the City of Wichita continues to grow both economically and physically, operational programs provided by the City must keep pace. To this end and prior to the development of the 1980 budget, I have requested City staff to conduct a close study and review all existing revenues for possible revision, thereby, hopefully, reducing the property tax burden for senior citizens and families of fixed and/or low incomes.

To finance future requirements, existing taxpayers should not be expected or required to shoulder the burden through increased property taxation. A close review of existing programs and methods to improve productivity is a must prior to the development of the 1980 operating budget.

Respectfully submitted,



E. H. Denton
City Manager